



# National Indian Gaming Commission Newsletter

An Independent Regulatory  
Agency of the  
United States of America

[www.nigc.gov](http://www.nigc.gov)

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## VICE-CHAIRMAN CLOYCE "CHUCK" CHONEY TO RETIRE FROM NIGC

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### **Chairman**

**Philip N. Hogen**

### **Vice Chairman**

**Cloyce "Chuck" Choney**

### **Commissioner**

**Norm DesRosiers**

### **NIGC**

**1441 L Street N.W.  
Suite 9000  
Washington, DC 20005**



*Vice Chairman Cloyce "Chuck" Choney*

After more than 30 years of federal service, Vice-Chairman Chuck Choney will retire from the National Indian Gaming Commission (NIGC) and Federal Service effective at the end of this year. Vice-Chairman Choney was appointed to the Commission in December 2002.

Among his accomplishments, Choney played a key role in the formation of the Indian Gaming Working Group (IGWG). The IGWG was formed in 2003 to enhance cooperation between federal agencies and to coordinate their roles and functions with

respect to potential crimes throughout the Indian gaming industry. Member agencies of the IGWG are the NIGC, the Federal Bureau of Investigation (FBI), Bureau of Indian Affairs, Office of Law Enforcement Services; Internal Revenue Service (IRS), Office of Tribal Government; Department of the Interior (DOI), Office of the Inspector General (OIG); Department of the Treasury, Financial Crimes Enforcement Network (FINCEN); and the Department of Justice (DOJ), United State's Attorney's Subcommittee on Indian issues.

Through the formation of IGWG, Commissioner Choney was instrumental in raising the profile of crimes taking place at Indian casinos. Previous to the formation of the IGWG, benchmarks triggering law enforcement involvement for criminal acts taking place at Indian casinos were at a level that allowed many felony acts to go unpunished. Commissioner Choney said "Now when an Indian casino discovers criminal activity being committed on their property they know it will now be prosecuted." Several high profile cases have been pursued in recent years as a result of this team effort that has been years in the making.

Choney also led the effort to produce an NIGC Training Catalog. This catalog provides detailed information on numerous training courses available to tribal leaders, gaming commissions, regulatory and compliance officials and other interested parties. With the passage of Public Law 109-221 during the 109th Congress, the NIGC is required to provide technical assistance and training

to tribal gaming operations. General training topics are classified by NIGC Divisions: Enforcement, Audits, Contracts, and the Office of General Counsel. Tribal leaders, gaming commission members, and other recipients of this catalog wishing to request training may contact the appropriate Regional Director. "This catalog will play a crucial role in coordinating efforts to keep Indian gaming officials updated with an ever changing industry. We feel training is key to the continued success story of the Indian gaming industry" said Choney.

Commissioner Choney has been a part of the ongoing efforts of the NIGC to provide guidelines to define Class II games that may be played at Indian gaming facilities absent a compact negotiated with the state where they are located. Choney noted that this endeavor has taken nearly four years of consultation with approximately 78 tribal delegations and hundreds upon hundreds of comments related to this process. Choney noted the attention dedicated to this consultation on the NIGC's part has been downplayed among many tribal leaders and industry experts. Choney continued, "The fact that we began this effort in 2003 and have had several proposed sets of regulations, consultation after consultation and have actually moved more in-line with tribal leaders and industry experts does not seem to be included in current rhetoric among interested parties". He stressed, "This is something that MUST be completed now for the long-term health of Indian gaming."

Previous to Commissioner Choney's arrival at the NIGC, he had over 30 years of federal service. This included 6 years in the U.S. Army, where he attained the rank of Captain, and 26 years as a Special Agent, Federal Bureau of Investigation. Commissioner Choney stated "My time with the Commission will soon come to an end. It has been a pleasure and honor to work with numerous individuals and hundreds of Tribal leaders over the years to enhance the Indian gaming industry. Indian gaming has provided opportunities previously unthinkable to many tribes throughout Indian country and I'm grateful to have played a part in the phenomenal growth of this industry." Choney continued "I am proud to have played a vital role in defining the mission and goals of the NIGC, as well as guiding the formulation that will help ensure Indian gaming continues to be a strong and growing economic development tool for Indian country."

Mr. Choney's long career working for the Federal Bureau of Investigation (FBI) from 1976 until 2001 provided the Commission a unique perspective that has proven invaluable during his tenure with the Commission. While at the FBI, he handled a variety of cases involving civil rights, fraud, organized and white collar crime, and bank robbery investigation.

While serving in Vietnam, Choney served as a Platoon Leader with the 1/506th Infantry Battalion (Airmobile), 101st Airborne Division, based at Camp Evans in the Northern I Corps area of operations. During a twelve month tour of duty, Choney won several medals including three Bronze Stars V-Device for Valor, two Purple Hearts, two Air Medals, two Army Commendation Medals, Vietnam Campaign Ribbon, Vietnam Service Ribbon, National Defense Service Medal, Master Parachutist Wings, Ranger Tab and the Pathfinder Badge.

Choney will be remembered as a no-nonsense voice during a time vital policy decisions were debated and very important decisions were made to foster the Indian gaming industry. Commissioner Choney plans to enjoy his retirement with his wife Sandy at their home in Shawnee, Oklahoma.

## NATIONAL INDIAN GAMING COMMISSION FACTS

- The Commission is an independent federal agency charged with oversight of Tribal gaming operations
- In 2006, Tribal gaming was offered by 226 out of 562 Federally recognized tribes conducting gaming at about 419 sites, in 28 states
- The Commission's budget in 2007 was \$14.6 million
- In 2006, the Commission conducted over 600 casino visits and issued 17 Notices of Violations (NOV's) for various compliance issues
- Commission reviews management contracts, tribal ordinances and independent audits of Tribal gaming operations
- The Commission is staffed by approximately 106 employees (52 in the field, 54 in DC)

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## MESSAGE FROM CHAIRMAN HOGEN

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*Chairman Phil Hogen*

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As autumn arrives in the nation's capital, the National Indian Gaming Commission finds itself very busy on a number of challenging fronts.

Under the leadership of Vice-Chairman Chuck Choney, the Commission has just distributed its NIGC training catalog, a 54-page publication that enumerates the courses that the NIGC staff is prepared to offer to tribal councils, regulators and operators. This tool should be help tribes identify how NIGC's outreach and technical assistance can be most beneficial to them.

At the end of September, NIGC submitted its first Government Performance Results Act (GPRA) draft to the Office of Management and Budget (OMB). This 150 page document outlines NIGC's goals for the next five years, and identifies tools it will utilize to measure its progress and achievement of those goals. NIGC is awaiting feedback from the OMB to assist the Commission in perfecting its first effort with respect to the GPRA process. A strong team effort under the leadership of Chief of Staff, Joe Valandra and Director of Administration Kelly Esseesy led to the timely completion of this project, and has given NIGC and its staff a better perspective on where it will be going to fulfill its mission, and identify the tools and techniques that we utilize along the way.

The publication in the Federal Register on October 24th of proposed regulations to finally draw a brighter line between gaming equipment which constitutes "computers, electronic and technologic aids" which may be used for the play of uncompacted Class II gaming, and "slot machines of any kind" and "electronic facsimiles

of games of chance" which equipment may only be utilized pursuant to Class III compacts. These proposals replace those which the Commission published in 2006, and withdrew after strong criticism was received from the tribal gaming community. This new package of regulations, which includes amendments to definitions, classification standards, technical standards, and minimum internal controls standards for Class II gaming, was only possible with tremendous input from our technical tribal advisory committee, chaired by Charlie Lombardo of the Seminole Tribe of Florida, our Minimum internal control standards advisory committee, chaired by Nelson Johnson of the Muscogee Creek Nation, and the cooperation they received from a working group comprised of designers and manufacturers of gaming machines, tribal gaming operators and regulators and tribal leaders. Considerable attention and controversy continues to surround these proposals, and the Commission has recently extended the comment period for these proposals into February of 2008.

Also proposed as additional regulations of the Commission is a provision relating to facility licenses which the Indian Gaming Regulatory Act (IGRA) requires tribes to issue to their gaming facilities. IGRA requires that as tribes construct and operate gaming facilities on their Indian lands, steps must be taken to protect the environment, health and public safety. These proposed regulations would require tribes to identify their tribal codes and regulations that address these areas, and certify their facility's compliance therewith, as those licenses are issued or renewed.

The NIGC has been busy and productive and likely continue to be as we move towards completion of these issues and address new challenges. As always, we seek the support of the tribes and the industry, as we attempt to fulfill our role in moving Indian gaming forward, and helping meet the economic development challenges in Indian country.

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## MARINE CORP MARATHON PARTICIPANTS

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Congratulations to NIGC staff attorney, John Hay and Special Assistant to the Commission, Natalie Hemlock for their completion of the Marine Corp Marathon last month. The 26.2 mile marathon took place October 28, 2007 in and around the Nation's Capital. This year's marathon saw more than 30,000 runners and tens of thousands of spectators and supporters.

John said, "We had great conditions for running a marathon this year, a little on the cool side and very sunny. Preparation and the tremendous community support for such a challenge proved extremely important."



*John Hay*

Natalie trained and participated in the marathon with Running Strong for American Indian Youth. This program began in 1986 as a project of Christian Relief Services, a nondenominational, nonprofit organization dedicated to providing compassionate Americans a way to assist the least fortunate among throughout Indian communities and to preserve, promote and respect Indian culture and values. Natalie has completed numerous marathons and said she looks forward to training and running the Marine Corp Marathon in the fall of 2008.



*Natalie Hemlock*

The Marine Corp Marathon has promoted community good will, showcased the Marine Corp and been given the nickname "The People's Marathon." The marathon is the 4th largest in the United States and has attracted hundreds of thousands of participants over the years.

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## CONGRATULATIONS TO NIGC FIELD AUDITOR, WILLIAM THOMAS

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Welcome an addition to the NIGC family, Alexander Price Thomas, born September 19, 2007 to William and Cathleen Thomas in Tulsa, Oklahoma. William Thomas has been with the NIGC for over 2 years and previously served as an auditor for the Missouri Gaming Commission for 5 years. William is a graduate of the University of Tulsa. Mr. Thomas and his wife have two other children, a five year old daughter, Kendall and a two year old son William III.



*Alexander Price Thomas*



## PROPOSED NIGC REGULATIONS

### CLASSIFICATION STANDARDS

#### Summary:

The proposed rule clarifies the terms Congress used to define Class II gaming. First, the proposed rule further revises the definitions for “electronic or electromechanical facsimile” and “other games similar to bingo.” The Commission defined these terms in 1992, revised the definitions in 2002, and proposed further revisions to the term “electronic or electronic facsimile” separate from this proposed revision. The Commission added a new Part to its regulations that explains the basis for determining whether a game of bingo or lotto, “other games similar to bingo,” or a game of pull-tabs or “instant bingo” meets the IGRA statutory requirements for Class II gaming, when such games are played electronically, primarily through an “electronic, computer or other technologic aid,” while distinguishing them from Class III “electronic or electromechanical facsimiles.” This new part also establishes a process for assuring that such games are Class II before placement of the games in a Class II tribal gaming operation. The Commission has submitted the information collection request to OMB for approval.

#### Comment Due Date:

January 24, 2008

#### Comment Submission Information

##### Written

Comments: “Comments on the Classification Standards”  
Attn: Penny Coleman,  
Acting General Counsel  
National Indian Gaming Commission  
1441 L. Street, NW  
Suite 9100  
Washington, DC 20005

E-mail Comments: [classification\\_standards@nigc.gov](mailto:classification_standards@nigc.gov)

Faxed Comments: 202-632-7066

### MINIMUM INTERNAL CONTROL STANDARDS FOR CLASS II GAMING

#### Summary:

In response to the inherent risks and the need for effective controls in tribal gaming, the Commission in January of 1999, developed minimum internal control standards (MICS). Since their original implementation, it has become obvious that the MICS require technical adjustments and revisions so they continue to be effective in protecting tribal assets, while still allowing tribes to utilize technological advances in the gaming industry. The current MICS are specific to the conduct of wagering game without regard to whether the game is classified as a Class II or Class III game. This proposed rule is intended to supersede certain specified sections of the current MICS and replace them with a new part titled Minimum Internal Control Standards for Class II Gaming.

#### Comment Due Date:

January 24, 2008

#### Comment and Submission Information

##### Written

Comments: “Comments on Class II MICS”  
National Indian Gaming Commission  
1441 L. Street, NW  
Suite 9100  
Washington, DC 20005

E-Mail Comments: [bingo@nigc.gov](mailto:bingo@nigc.gov)

Faxed Comments: 202-632-7066

## PROPOSED NIGC REGULATIONS

### DEFINITION FOR ELECTRONIC OR ELECTROMECHANICAL FACSIMILE

#### Summary:

The proposed rule revises the definition of a term Congress used to define Class II gaming. Specifically, the proposed rule revises the definition for “electronic or electromechanical facsimile” that appears in the Commission’s regulations. The Commission defined these terms in 1992 and revised the definitions in 2002. The proposed rule offers further revision.

Comment Due Date:  
January 24, 2008

#### Comment and Submission Information

##### Written

Comments: “Comments on Technical Standards”  
Attn: Penny Coleman,  
Acting General Counsel  
National Indian Gaming Commission  
1441 L. Street, NW  
Suite 9100  
Washington, DC 20005

E-Mail Comments: [technical\\_standards@nigc.gov](mailto:technical_standards@nigc.gov)

Faxed Comments: 202-632-7066

### TECHNICAL STANDARDS

#### Summary:

The proposed rule would add a new part to the Commission’s regulations establishing technical standards for Class II games-bingo, lotto, other games similar to bingo, pull tabs, or “instant bingo” that are played using “electronic, computer or other technologic aids.” The proposed rule would also establish a process for ensuring the integrity of such games and aids before their placement in a Class II tribal gaming operation. No such standards currently exist. The Commission proposes this action in order to assist tribal gaming operators in ensuring the integrity and security of Class II games and the accountability for gaming revenues.

Comment Due Date:  
January 24, 2008

#### Comment and Submission Information

##### Written

Comments: “Comments on Technical Standards”  
Attn: Michael Gross,  
Associate General Counsel  
National Indian Gaming Commission  
1441 L. Street, NW  
Suite 9100  
Washington, DC 20005

E-Mail Comments: [technical\\_standards@nigc.gov](mailto:technical_standards@nigc.gov)

Faxed Comments: 202-632-7066

## FACILITY REGULATIONS

#### Summary:

The proposed rules add new sections and a new part to the Commission’s regulations in order to ensure that each place, facility or location where class II or class III gaming will occur is located on Indian lands eligible for gaming as required by the Indian Gaming Regulatory Act. The rules are also intended to ensure that gaming facilities are constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety.

Comment Due Date:  
December 3, 2007

#### Comment Submission Information:

##### Written

Comments: “Comments on Facility  
Licensing Standards”  
Attn: Jerrie Moore, Legal Assistant  
National Indian Gaming Commission  
1441 L. Street, NW  
Suite 9100  
Washington, DC 20005

E-mail Comments: [licensing\\_regulations@nigc.gov](mailto:licensing_regulations@nigc.gov)

Faxed Comments: 202-632-7066

## GOVERNMENT-TO-GOVERNMENT CONSULTATION OKLAHOMA INDIAN GAMING ASSOCIATION - AUGUST OF 2007



Kiowa Gaming Commission



Thlopthlocco Tribal Town



Pawnee Nation



Comanche Nation



Quapaw Tribe



Kickapoo Tribe of Oklahoma

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## GOVERNMENT-TO-GOVERNMENT CONSULTATION OKLAHOMA INDIAN GAMING ASSOCIATION - AUGUST OF 2007



Peoria Tribe



Seneca Cayuga



Sac & Fox Nation



Wyandotte Tribe



Seminole Nation



Osage Nation

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## GOVERNMENT-TO-GOVERNMENT CONSULTATION OKLAHOMA INDIAN GAMING ASSOCIATION - AUGUST OF 2007



Cherokee Nation



Apache Tribe



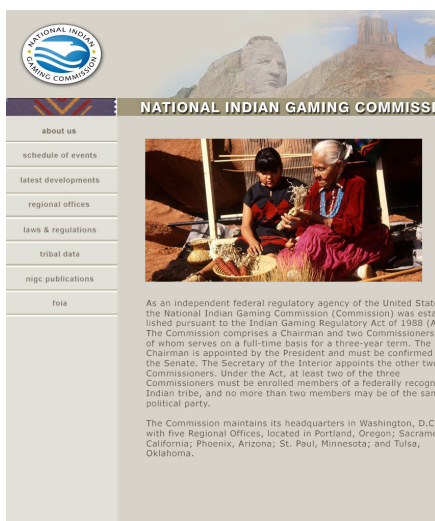
Chickasaw Nation



Creek Nation

Please visit the National Indian Gaming Commission website for further information.

[www.nigc.gov](http://www.nigc.gov)



## NIGC PERFORMANCE AND ACCOUNTABILITY REPORT AVAILABLE

The National Indian Gaming Commission announced that its Performance and Accountability Report, as filed in compliance with the Government Performance Results Act (GPRA) with the Office of Management and Budget (OMB) on September 30, 2007, is available to the public on its website [www.nigc.gov](http://www.nigc.gov).

The Report is a work in progress. With the Report now available the NIGC will continue the process of consulting and looking to the tribes and other interested constituencies to work together to improve the Report by making it relevant and useful to all. As changes are made to the Report, the posting on the website will be updated.

The Commission is accepting comments from all interested parties, and has set up a dedicated email address for GPRA related comments at [gpra@nigc.gov](mailto:gpra@nigc.gov)

We look forward to working with you in the coming year. Following is contact information for the National Indian Gaming Commission's Regional Offices, including updated staff information and contact information.

## National Indian Gaming Commission Regional Offices

Region I  
Solomon Building  
620 SW Main Street  
Suite 212  
Portland, OR 97205  
Phone: (503)-326-5095  
Fax: (503)-326-5092  
**Randy Sitton, Region Director**

Region II  
801 I Street  
Suite 489  
Sacramento, CA 95814  
Phone: (916)-414-2300  
Fax: (916)-414-2310  
**Eric Schalansky  
Region Director**

Region III  
One Columbus Plaza  
3636 N. Central Ave.  
Suite 880  
Phoenix, AZ 85012  
Phone: (602)-640-2951  
Fax: (602)-640-2952  
**Ken Billingsley, Region Director**

Region IV  
190 E. 5th Street  
Suite 170  
St. Paul, MN 55101  
Phone: (651)-290-3017  
Fax: (651)-290-4006  
**John Peterson, Region Director**

Region V  
224 S. Boulder  
Room 301  
Tulsa, OK 74103  
Phone: (918)-581-7924  
Fax: (918)-581-7933  
**Tim Harper, Region Director**

Region VI  
1441 L Street N.W.  
Suite 9100  
Washington, D.C., 20005  
Phone: (202)-632-7003  
Fax: (202)-632-7066  
**Cindy Altimus, Region Director**

## National Indian Gaming Commission Satellite Offices

1719 W. Main Street  
Suite 103  
Rapid City, SD 57702  
Phone: (605)-718-5724  
Fax: (605)-718-5716  
**Jim McKee**

27708 Jefferson Ave.  
Suite 202  
Temecula, CA 92590  
Phone: (951)-676-9000  
Fax: (951)-695-5319  
**Manny Sanchez**

104 W. Magnolia  
Suite 309  
Bellingham, WA 98227  
Phone: (360)-756-0304  
Fax: (360)-756-0452  
**Rayanne Morris**

9 River Bend Place Suite 130  
Flowood, MS 39232  
Phone: (601)-664-3066  
Fax: (601)-664-3068  
**David Burk**

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